

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



**FILED**

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Application of SAN DIEGO GAS & ELECTRIC  
COMPANY (U 902-E) for Approval of its 2017 Electric  
Procurement Revenue Requirement Forecasts and GHG-  
Related Forecasts

A.16-04-018  
(Filed April 15, 2016)

**RESPONSE OF THE ALLIANCE FOR RETAIL ENERGY MARKETS AND DIRECT  
ACCESS CUSTOMER COALITION TO THE APPLICATION OF SAN DIEGO  
GAS & ELECTRIC COMPANY (U 902-E) FOR APPROVAL OF ITS  
2017 ELECTRIC PROCUREMENT REVENUE REQUIREMENT  
FORECASTS AND GHG-RELATED FORECASTS**

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**ALLIANCE FOR RETAIL ENERGY MARKETS  
DIRECT ACCESS CUSTOMER COALITION**

May 23, 2016

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Pursuant to Rule 2.6 of the Commission’s Rules of Practice and Procedure, the Alliance for Retail Energy Markets (“AReM”)<sup>1</sup> and the Direct Access Customer Coalition (“DACC”)<sup>2</sup> submit this joint response to the Application of San Diego Gas & Electric Company (“SDG&E”) filed on April 15, 2016, in the above-captioned docket (“Application”) and noticed in the Commission’s Daily Calendar on April 21, 2016. Therefore, this response is timely filed by AReM and DACC.

AReM and DACC’s primary interest in the proceeding is the calculation and rate treatment of costs that are charged to Direct Access (“DA”) customers. This includes, but is not limited to, the calculation of the Power Charge Indifference Amount (“PCIA”), the Competition Transition Charge (“CTC”), and the Local Generation Charge (“LGC”).<sup>3</sup> AReM and DACC are

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<sup>1</sup> AReM is a California mutual benefit corporation formed by Electric Service Providers (“ESPs”) that are active in California’s Direct Access retail electric supply market.

<sup>2</sup> DACC is a regulatory advocacy group comprised of educational, governmental, commercial and industrial customers that utilize direct access for all or a portion of their electrical energy requirements. In the aggregate, DACC member companies represent over 1,900 MW of demand that is met by both direct access and bundled utility service and about 11,500 GWH of statewide annual usage.

<sup>3</sup> The LGC is SDG&E’s terminology for what is more broadly known as the Cost Allocation Mechanism (“CAM”) charge.

interested in insuring that the calculations in this Application are conducted properly and are consistent with all appropriate precedent.

**I. ALL LGC RATES CHARGED TO DA CUSTOMERS MUST BE VERIFIED**

In Decision 10-12-035, the Commission adopted a settlement which established a non-bypassable charge that utilized the Cost Allocation Mechanism (“CAM”) approved to recover the net capacity costs of combined heat and power (“CHP”) and New System Generation resources. SDG&E has implemented this through its LGC rate element. DA customers are required to pay this charge. AReM and DACC must review SDG&E’s CAM and LGC calculations to verify that SDG&E has implemented this charge in a fair and equitable manner consistent with the enabling decisions.

**II. REQUEST FOR PARTY STATUS**

Pursuant to Rule 1.4 of the Commission’s Rules, AReM and DACC request active party status in this proceeding. The interests of AReM and DACC are not represented by any party to this proceeding, and their comments herein are directly relevant to the issues raised by the Application.

**III. NOTICE**

Service of notices, orders, and other communications and correspondence in this proceeding should be directed to AReM and DACC’s counsel at the address set forth below:

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**IV. CONCLUSION**

AReM and DACC thank the Commission for its attention to this joint response to the SDG&E Application.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Daniel W. Douglass". The signature is fluid and cursive, with the first name "Daniel" and last name "Douglass" being clearly legible.

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